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Chairman Nofs and members of the committee; thank you for the invitation to speak with you today.

The Renewable Portfolio Standard (PA 295) of 2008 has, by every measure, proven to be successful beyond expectations. Michigan utilities are on schedule to meet the RPS requirements; renewable energy is proving to be much less expensive than we all anticipated; and, we have catalyzed whole new technology manufacturing sectors, bringing billions of dollars of new investment to Michigan and creating good paying jobs.

Your good efforts in particular Chairman Nofs, and the bipartisan efforts of the Michigan legislature, provided us with an excellent start in the highly competitive global clean energy technology market.

I want to update the committee on the global solar energy story; and how it affects us in Michigan.

I appreciate the opportunity to stress to you that solar energy is real ...and it is **now**.

What's more:

Solar is global **now**.

It is growing **now**.

And Dow Corning — up there in Midland Michigan — is serving this burgeoning global market right now and creating a lot of jobs to maintain our global leadership in this business. While the nation's negative trade balance is getting a lot of attention, let me tell you about a bright spot.

As you know, Hemlock semiconductor is one of the world's largest producers of polycrystalline silicon — the base material for photovoltaic cells.

The US exported \$2.5 billion worth of polycrystalline silicon in 2010, which largely accounted for the fact that the US solar industry had a net trade surplus last year of \$1.9 billion — and even a positive trade surplus of \$247 million with China.

The global market for clean energy technology is exploding. Energy is a trillion dollar industry. Global investment in clean energy systems rose to \$243 billion in 2010, up from \$186.5 billion in 2009. The International Energy Agency estimates \$46 trillion in new capital investment in clean energy infrastructure will occur over the next 40 years.

We need to seize this opportunity because Michigan is positioned to make the most of the rapidly expanding global opportunity while creating jobs right here and now.

The United States and Michigan is a major player in the solar industry.

- In 2010, the U.S. solar energy industry grew 67 percent compared to overall GDP growth of just 3 percent with solar installations increasing from \$3.6 billion in 2009 to \$6 billion in 2010.
- That trend continues in 2011, with new photovoltaic installations in the second quarter up **69 percent** compared to the second quarter of 2010 and up 17 percent compared to the first quarter of 2011.
- The U.S. now has more than 3,100MW of installed solar power, enough to power 630,000 homes. Another 1,100MW — enough to power more than 200,000 homes — is due to come on line by the end of this year.
- Accelerating this growth is the fact that the price of solar panels has dropped 30 percent since the beginning of 2010.
- More than 5,000 companies, some the size of Dow Corning and larger ... but mostly small businesses, are operating in the U.S. solar-energy value chain.
- As of August, those companies employed 100,237 workers. The annual growth was 6.8 percent at a time of 9-plus percent unemployment.

The rapidly expanding global solar market means jobs and increased investment in Michigan.

Dow Corning and Hemlock Semiconductor are creating jobs and hiring people today!

- Michigan has the fourth largest number of solar energy jobs — 6,300 — of the states. Many of them are at Hemlock Semiconductor Group, a Dow Corning joint venture.
- My company has invested about \$3 billion in Michigan solar operations since 2005 and our